

PET 6. IRAN  
144737

DECLASSIFIED  
Authority NND969614  
By LC NARA Date 4-15-02

Classification  
**Department of State**  
**TELEGRAM**

INDICATE:  
☐ COLLECT  
☐ CHARGE TO

44 15

3 SEP 70 21 42z

DISTRIBUTION

ACTION: Amembassy TEHRAN

INFO: Amembassy LONDON

STATE

EXP

REF: Tehran 3696 and 3703

1. Fully endorse your remarks to Hoveyda that attempts to whip up national sentiment against oil companies would almost certainly be resented abroad and would do nothing to improve Iran's credit rating. Indeed, if such attempts were successful, as we assume they ~~almost/certainly~~ would be if instigated by the Shah, we fear it possible that they could create a climate in which the oil companies might well decide to ~~cease investment~~ as they have in Iraq and Libya. Bludgeoning oil companies can be carried <sup>only</sup> so far before counterreaction sets in <sup>themselves</sup> and they are not without options. ~~in such instances~~ Quite frankly, we ~~have~~ feel we and the GOI have pushed the companies about as far as they will go on the <sup>offtake</sup> ~~offtake~~ question. As you know, the pressure has been insistent and virtually unremitting for almost a year.

DRAFTED BY:

DRAFTING DATE

TEL. EXT.

APPROVED BY:

NEA/IRN:JCMiklos:psw

9/2/70

23014

D - Nathaniel Samuels

CLEARANCES:

NEA - Rodger P. Davies

E/FSE - Mr. Clark

NEA/ARP - Mr. Murphy

S/S

- Mr. Brewster

DECLASSIFIED

Authority NN0969014  
By LC NARA Date 4-15-0

Classification

Department of State  
**TELEGRAM**

STATES OF

COLLECT

☐ CHARGE TO

## DISTRIBUTION

ACTION: Amembassy TEHRAN (Page 2) 7

2. We assume that the GOI is fully conversant with the physical limitations the current tanker shortage puts on any immediate, dramatic increase in Persian Gulf offtake. We assume also that it recognizes that Iranian oil and Libyan oil are of different qualities and therefore not interchangeable in meeting specific European market requirements. We note also that offtake for the first seven months of the current year ~~was~~ as compared to the first seven months of last year indicate an ~~xxxxxx~~ 11.2% ~~xxxxxx~~ increase for the Middle East generally, a ~~12/8/~~ 12.5% increase by the Consortium and a 14.2% increase ~~decrease~~ 0.3% for Iran. This compares with a ~~xxxxxxx~~ of ~~0.7%~~ for Abu Dhabi. Nevertheless you may assure the GOI that we will continue to be alert to opportunities that may occur which would help increase Iranian offtake and that we will urge the oil companies to act on these opportunities when they occur.

3. We found your remarks about the need for Iran to tailor its security and development needs to its financial cloth most timely and relevant. They might bear repeating in the near

DRAFTED BY:

DRAFTING DATE

TEL. EXT.

APPROVED BY:

CLEARANCES:

Classification

DECLASSIFIED

Authority NND 969214  
By LC NARA Date 4-15-02

Classification

**Department of State**  
**TELEGRAM**DATE: 4 FEB 02  
☐ COLLECT  
☐ CHARGE TO

## DISTRIBUTION

ACTION: Amembassy TEHRAN (Page 3) 7

future. We were gratified at Hoveyda's response and indications that he may have taken them to heart in cutting back and/or stretching out some of the government's programs now underway or contemplated. We hope that it is coming home to the GOI that it has pretty well wrung out all possible sources of external assistance be it the Consortium, special deals with oil independents, the international financial community or the US Government. Further pressures, therefore, are unlikely to result in anything other than irritation and increased questioning of what Iran itself is doing to restrict its expenditures to strictly essential programs.

4. We appreciate fully the difficulties the GOI faces in making hard judgments on this score. Nevertheless, evidence that they are doing so will doubtless bolster the confidence and faith of its friends as they continue to try and be helpful. Certainly evidence of our good faith in this respect was clearly demonstrated most recently by our

DRAFTED BY:

DRAFTING DATE

TEL. EXT.

APPROVED BY:

CLEARANCES:

Classification

DECLASSIFIED

Authority NND 469014  
By FC NARA Date 4-15-01**Department of State**  
**TELEGRAM**

INDICATE:

☐ COLLECT☐ CHARGE TO

## DISTRIBUTION

ACTION: Amembassy TEHRAN (Page 4) 7

willingness to consider financing Iran's military requests through the Eximbank because we appeared to be stymied on FMS legislation.

5. We are informing the British here of the general tone of the foregoing and expect that they will be advising Ambassador Wright in Tehran along similar lines.

Gp 3

End

**JOHNSON**

DRAFTED BY:

DRAFTING DATE

TEL. EXT.

APPROVED BY:

CLEARANCES: